C5800-30
1A-5189

THE WEEKLY OF
BUSINESS AVIATION™

Vol. 48 No. 4 | INTELLIGENCE | Page 25

AFTER MONTHS of refusing to quote an updated price for its Starship composite-construction aircraft, Beech Aircraft said last week the price of the aircraft is $3,886,700 for orders placed after Nov. 30, 1988 and delivered by mid-1991. Price had been $3.67 million, plus an escalation clause, since the first quarter of 1987. Beech, which saw orders for the Starship drop to 40 units late last year (BA, Nov. 21/161), plans to begin deliveries this spring.

DEVELOPMENT of the Laser 300 aircraft and manufacture of a second prototype has been halted while the company attempts to secure additional financing. OMAC, Inc., which has been flight testing the Laser 300 prototype at its Albany, Ga. manufacturing facility, has laid off all but about 35 employes (BA, Dec. 19/196). A spokesman for the company said officials decided to freeze development activities temporarily while they turn their attention to raising additional capital. Paine Webber has been retained to assist in that effort.

SAMUEL SKINNER'S nomination as Transportation Secretary avoided a potential Senate filibuster by Sen. Max Baucus (D-Mont.) when DOT agreed last week to extend the comment period on its proposal to cut Essential Air Service subsidies, but Skinner is now drawing fire from Sen. Howard Metzenbaum (D-Ohio) for actions Skinner took while serving as the U.S. attorney in Illinois (see article on Page 26).

INDUSTRY LOBBYISTS continue to express concern about the decision of Sen. Nancy Kassebaum (R-Kan.) to give up her seat on the Commerce Committee, which means she will no longer be ranking minority member of the aviation subcommittee (BA, Dec. 19/193). In addition to her strong support for reform of product liability laws affecting aviation, they say her knowledge of the industry and the government agencies that regulate it, will be very difficult to replace. Either Sen. John McCain (R-Ariz.) or Sen. Bob Kasten (R-Wis.) are expected to become ranking Republican member on the aviation subcommittee.

GAMA BILLINGS TOP $1.9 BILLION; FIRST SHIPMENT INCREASE SINCE 1977

U.S. manufacturers of general aviation aircraft delivered 1,143 new aircraft valued at $1.918 billion in 1988, the best year in dollar volume for the industry since 1982 and the first time since 1977 that deliveries have increased over the previous year. The General Aviation Manufacturers Association said the 1988 results represent a 40.7 percent incease over 1987 billings of $1.364 billion and a 5.3 percent increase over 1987's 1,085 deliveries. GAMA President Ed Stimpson said unit deliveries this year will exceed those in 1988, but he said an increase in dollar volume in 1989 depends on the mix of aircraft delivered.

The sharp jump in billings last year is attributable to increased deliveries of business jets. U.S. manufacturers delivered 157 new business jets in 1988, compared to 122 in 1987 and jets accounted for $1.242 billion, or 64.7 percent of total industry billings for the year. Gulfstream Aerospace accounted for nearly a third of U.S.-built business jet deliveries with 49 new Gulfstream IVs and the value of those G-IVs represented well over 50 percent of all business jet billings. GAMA said sales of turbine-powered aircraft accounted for 96 percent of total billings.

(Continued on the following page)

NOW ONLINE WORLDWIDE

The Weekly of BUSINESS AVIATION • 1156 15th Street, N.W. • Washington, D.C. 20005 • 202-822-4600 • FAX 202-293-2682 • **Dave Collogan**/Editor, **Kathryn Bledsoe**/Associate Editor, **Tom Woodall**/Publisher • Published weekly by the Aerospace and Defense Group of McGraw-Hill Information Services Co., a division of McGraw-Hill, Inc., 1221 Avenue of the Americas, New York, N.Y. 10020. (ISBN No. 0888-3467) • **Officers of McGraw-Hill Information Services Co.**: President: Walter D. Serwatka; Executive V.P.: Kenneth E. Gazzola, Aerospace and Defense. **Officers of McGraw-Hill, Inc.**: Joseph L. Dionne, Chairman, President and Chief Executive Officer; Robert N. Landes, Executive V.P., General Counsel, and Secretary; Frank D. Penglase, Senior V.P., Treasury Operations. • Subscription rates: U.S. qualified rate. One year $345, 6 months $225. Quantity rates on request. Mailed first class. COPYRIGHT © 1989 by McGraw-Hill, Inc. All rights reserved. None of the content of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means (electronic, mechanical, photocopying, recording or otherwise) without the prior written permission of the publisher.

GAMA BILLINGS (Cont.)

GAMA President Ed Stimpson said "exports remain a very important part of the overall industry story," accounting for 32.6 percent of total billings, even though the number of aircraft exported to foreign countries actually declined slightly. Stimpson also said demand for used aircraft has driven up the price of used equipment to the point that new aircraft are becoming attractive to potential buyers based on the relative cost factor alone, "not to mention warranties, financing advantages and low cost of maintenance for new aircraft."

Stimpson said the sales resurgence that began late last fall "gives indications of continuing into this year. If the U.S. economy continues to be healthy, it is possible to project a slow but continuing recovery for the industry during 1989, especially in the number of aircraft delivered." (A series of charts detailing 1988 shipments and billings are reprinted on the back of Pages 26-28 and BA's compilation of deliveries by model and manufacturer—including aircraft produced by non-U.S. manufacturers—appears on Page 29).

METZENBAUM URGES INQUIRY INTO ACTION BY SKINNER AS U.S. ATTORNEY -- Sen. Howard Metzenbaum (D-Ohio) has urged that a vote on the nomination of Transporation Secretary-designate Samuel Skinner be postponed until after an inquiry into actions Skinner took as the U.S. Attorney in Illinois. According to Metzenbaum, Skinner failed to launch a grand jury investigation of G.D. Searle, the manufacturer of NutraSweet, which was requested by the Food and Drug Administration. A year after the FDA presented Skinner with allegations of fraudulent safety tests by Searle, Skinner joined a law firm which defended Searle in the case, Metzenbaum alleged. "There are serious questions about Mr. Skinner's conduct that must be answered," Metzenbaum said.

Skinner narrowly avoided opposition from another source last week when DOT delayed action on a proposal to reduce subsidies for Essential Air Service to give Congress "an opportunity to review the issue." Prior to DOT's announcement, Sen. Max Baucus (D-Mont.) had threatened to block Skinner's confirmation "and every nomination you make until I am satisfied no cuts will be made in the EAS program." In a letter to President-elect George Bush, Baucus said "I have nothing against your nominees personally, but I assure you that I can garner enough support for my position in the Senate..." Following DOT's decision, Baucus said "We've sent a clear message to the incoming administration that rural America will not be the scapegoat of spending cuts."

CHRYSLER TECHNOLOGIES ESTABLISHING MILITARY AIRCRAFT SUBSIDIARY -- Chrysler Technologies Corp. Wednesday said it is establishing "a new subsidiary dedicated to military aircraft products and systems." The unit will combine some military aviation-related functions from two of CTC's units, Gulfstream Aerospace Corp. and Electrospace Systems, Inc. Remaining Gulfstream and Electrospace functions will focus on commercial aircraft products and services.

Paul E. Wright, who joined CTC as chairman last September (BA, Sept. 5/77), called formation of the new military-oriented unit "a logical next step which responds to CTC's recent growth and solidifies our foundation for future growth. To maintain this momentum and be able to respond to new opportunities we simply needed to expand our organization," Wright said.

Milton W. Holcombe, currently group vice president of Electrospace, will become the first president of the new military aircraft company, which will be headquartered in Waco, Tex. where a 200,000-square-foot expansion program to the aircraft modification facility is scheduled to be completed in June. Dr. Robert L. Carrel will become president of Electrospace Systems, which is headquartered in Richardson, Tex. He will oversee ESI defense electronics operations there and in Ballinger, Tex. and also the Huntsville and Fort Worth subsidiaries. He will succeed James R. Lightner, who plans to retire as chairman and president of Electrospace Systems effective Feb. 1.

CTC said Allen E. Paulson, chairman and CEO of Gulfstream Aerospace, will continue to be responsible for Gulfstream operations in Savannah, Ga. and at Long Beach, Calif., commercial aircraft component operations in Oklahoma City and the SA-30 small business jet program.

HOWMET COMPLETES ACQUISITION OF CERCAST -- Howmet Corp. of Greenwich, Conn. has concluded the acquisition of the Cercast Group of companies, which are headquartered in Montreal. The two companies signed a letter of intent regarding the acquisition last spring (BA, May 23/165). Cercast's principal business is the engineering, production and marketing of high-quality aluminum components for aerospace and commercial applications, product lines that Howmet is not currently engaged in. Cercast has annual sales of over $80 million.

COPYRIGHT © 1989 McGRAW-HILL, INC.

1988 GAMA SHIPMENTS

	Units	1987 Units	% Change
Jet	157	122	+28.7%
Turboprop	291	263	+10.6%
Multi-Engine Piston	67	87	- 23.0%
Single-Engine Piston	628	613	+ 2.4%
Total	1,143	1,085	

1988 GAMA SHIPMENTS

	Billings
Jet	$1,242 Million
Turboprop	$ 596 Million
Multi-Engine Piston	$ 12 Million
Single-Engine Piston	$ 66 Million

BUSINESS/PERSONAL AIRCRAFT INDUSTRY – FOURTH QUARTER UNIT SHIPMENTS

		4th Quarter 88	Cal. Year
AEROSPATIALE GENERAL AVIATION			
• Single-Engine			
TB-9	Tampico	4	5
TB-10	Tobago	9	32
TB-20	Trinidad	24	51
TB-21	Trinidad TC	5	9
TOTAL		42	97
BEECH AIRCRAFT CORP.			
• Single Engine			
BE-F33A	Bonanza	25	101
BE-F33C	Bonanza	0	1
BE-A36	Bonanza	15	63
BE-36TC	Bonanza	5	16
• Multi-Engine			
BE-58	Baron	4	13
BE-58P	Baron	0	1
BE-76	Duchess	0	0
BE-C99	Airliner	0	0
BE-C90-1	King Air	6	30
BE-F90-1	King Air	0	0
BE-200	Super King Air	9	24
BE-200C	Super King Air	1	3
BE-300	Super King Air	20	53
BE-200T	Super King Air		
BE-1900C	Commuter	13	41
Beechjet 400		12	21
BE-1300		4	5
TOTAL		114	372
BRITISH AEROSPACE			
• Multi-Engine			
BAe	Jetstream 31	14	49
BAe 146-100		2	2
BAe 146-200		7	19
BAe 146-300		2	2
HS-125 Model A		8	22
HS-125 Model B		2	8
TOTAL		35	102
PILATUS BRITTEN-NORMAN			
• Multi-Engine			
BN-2B	Islander	7	15
BN-2T	Islander	0	0
Mark III Trislander		0	0
TOTAL		7	15
CANADAIR			
• Multi-Engine			
CL-6013A		9	22
TOTAL		9	22
CESSNA AIRCRAFT CO.			
• Single-Engine			
CE-208	Caravan I	25	90
CE-210	Centurion	0	0
CE-T210	Turbo Centurion	0	0
CE-P210	Pressurized Centurion	0	0
• Multi-Engine			
CE-303	Crusader	0	0
CE-402		0	0
CE-414	Chancellor	0	0
CE-425	Conquest I	0	0
CE-441	Conquest II	0	0
CE-550	Citation II	8	28
CE-S550	Citation S/II	5	19
CE-650	Citation III	5	15
REIMS AVIATION			
• Single-Engine			
CE-F152		0	0
CE-F152	Aerobat	0	0
CE-F172	Skyhawk	0	0
• Multi-Engine			
CE-406	Caravan II	2	9
TOTAL		45	161
AVION-MARCEL DASSAULT			
• Multi-Engine			
AD-My.10	Falcon	1	6
AD-My.20	Falcon	0	1
AD-My.200	Falcon	0	0
AD-My.50	Falcon	2	9
AD-My.900	Falcon	7	27
TOTAL		10	43
De HAVILLAND AIRCRAFT OF CANADA			
• Multi-Engine			
DHC-5	Buffalo	0	0
DHC-6	Twin Otter	6	9
DHC-7		1	5
DHC-8		12	32
TOTAL		19	46
EMBRAER			
• Single-Engine			
EMB-201	Ipanema	4	6
EMB-711	Corisco	1	7
EMB-712	Tupi	0	1
EMB-720	Minuano	2	4
• Multi-Engine			
EMB-110	Bandeirante	0	0
EMB-120	Brasilia	16	38
EMB-121	Xingu	0	0
EMB-810D	Seneca II	8	22
EMB-820		0	0
EMB-821	Carajah	1	6
TOTAL		32	84
FAIRCHILD AIRCRAFT			
• Multi-Engine			
Merlin III-C		0	0
Fairchild 300		0	0
Merlin IV-C		0	0
Metro III		17	29
Expediter		0	0
TOTAL		17	29
GULFSTREAM AEROSPACE			
• Multi-Engine			
G-1159A	Gulfstream III	1	2
G-IV	Gulfstream IV	16	49
TOTAL		17	51
ISRAEL AIRCRAFT INDUSTRIES			
• Multi-Engine			
1124	Westwind 1	1	1
1124A	Westwind 2	0	0
1125	Astra	0	8
TOTAL		1	8
LAKE AIRCRAFT			
• Single-Engine			
LA-4-200EP		0	0
LA-250	Renegade	4	28
TOTAL		4	28
LEARJET CORP.			
• Multi-Engine			
LR-31		4	5
LR-35A		4	15
LR-36A		1	1
LR-55B		0	1
LR-55C		1	1
TOTAL		10	23
MAULE AIR INC.			
• Single-Engine			
M-5-180C		0	0
M-5-200		0	0
M-5-235C	Lunar Rocket	1	3
M-6-235		2	6
MX-7-180	Super Rocket	0	17
M-7-235	Super Rocket	3	15
MX-7-235		1	14
TOTAL		7	55

COPYRIGHT © 1989 McGRAW-HILL, INC.

29(a)

		4th Quarter 88	Cal. Year
MOONEY AIRCRAFT CORP.			
• Single-Engine			
M-20J	201 Lean Machine	15	43
M-20J	205	4	21
M-20K	231	0	0
M-20K	252	9	39
M-20L	PFM	5	39
TOTAL		33	142
PIPER AIRCRAFT CORP.			
• Single-Engine			
PA-18-100	Super Cub	2	2
PA-28-161	Warrior	2	51
PA-28-161	Cadet	38	38
PA-28-181	Archer II	12	49
PA-28-236	Dakota	2	4
PA-28RT-201T	Turbo Arrow IV	0	7
PA-28R-201	Arrow IV	10	10
PA-32-301	Saratoga	1	10
PA-32R-301	Saratoga SP	2	10
PA-32R-301T	Turbo Saratoga SP	0	0
PA-46-310P	Malibu	10	41
• Multi-Engine			
PA-34-220T	Seneca III	12	53
PA-31-500	Cheyenne IA	0	0
PA-31-620	Cheyenne IIXL	0	0
PA-42-720	Cheyenne III	0	0
PA-42-720	Cheyenne IIIA	0	2
PA-42-1000	Cheyenne 400LS	1	5
TOTAL		92	282
SHORT BROTHERS			
• Multi-Engine			
SBJ-CS-7	Skyvan	•	0
SD-3-30		•	0
SD-3-60		•	7
TOTAL		•	7
		242	853
SINGLE-ENGINE		252	735
MULTI-ENGINE		494	1,588
GRAND TOTAL			

UNIT SHIPMENTS COMPARATIVE TREND: 18 MANUFACTURERS

	4th Quarter			Calendar Year to Date		
	1988	1987	1986	1988	1987	1986
Aerospatiale	42	23	38	97	81	105
Beech	114	99	118	372	314	304
British Aerospace	35	27	27	102	100	91
Britten-Norman	7	10	2	15	29	8
Canadair	9	•	8	22	13	17
Cessna	45	48	140	161	187	546
Dassault	10	18	9	43	49	25
DeHavilland	19	4	20	46	30	46
Embraer	32	37	39	84	146	110
Fairchild	17	15	13	29	39	37
Gulfstream	17	11	12	51	30	24
Israel	1	•	7	8	5	16
Lake	4	7	8	28	23	26
Learjet	10	6	8	23	16	20
Maule Air	7	11	21	55	54	65
Mooney	33	37	44	142	143	142
Piper	92	55	•	282	282	326
Shorts	•	•	12	7	15	26
TOTAL	494	408	526	1,567	1,556	1,934

• Figures not available